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UNDERSTANDING LOCAL PROCESSES: CONTEMPLATING FRANCHISATION

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Abstract

Purpose- Increasing, there is growing acknowledgement of the importance of franchising within all modern global economies. Despite this, little is understood with regards the actual impact of franchising on local economies. This research aims to reframe the contribution of franchising by considering the process of franchisation.

Design/methodology/approach- This study employed a mixed-method approach, utilizing critical realism to facilitate an outcomes-based explanation of firm survival. The focus of the study was upon generative mechanisms that were assumed to give rise to particular events from which (pizza) firm survival was enhanced vis-à-vis all other community members. A database of 2440 firms (or in excess of 21,000 company years) combined with archival records, interviews and the researcher's observations provided the researcher with access to the nature of interaction occurring between firms.

Findings- It was found that the survival of local firms was influenced positively by the day-to-day actions of franchise operators. However, it is argued that to understand how any such advantage my fall to local independent firms, we need too better appreciate the multitude of local processes related to such industries.

Originality/value- This research re-examines several ecological concepts with the view of enabling a clearer investigation of underlying local processes. It also represents an authentic autecological approach to the study of firms.

Case Study

Keywords: Firm Survival, Ecological Processes, Transferred Demand

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Introduction

It is common these days that franchising is increasingly a method used to facilitate market entry and/or geographical expansion. It is claimed to be "the world's fastest growing form of retailing" (Dant, 2008, p. 91). It is common within the literature to assume negative impacts upon local independent firms through the advent of franchising (see Stone, 1997), however, it will be argued within this paper that this assumption fails to appreciate 1) actual outcomes at localized levels, 2) differences across industry types, and 3) different forms of firm/environment interaction occurring across the life course of an industry. To address these issues, the concept of franchisation (see Jones, 2009) will be considered and explained with reference to the process of niche construction (see Odling-Smee et al., 2003).

The term *franchisation* was proposed by Jones (2009) as the process through which an industry is transformed in both positive and negative ways by the introduction of one or more franchised operators. The transformation is due to the emergence of new ecological processes that alter the evolutionary outcomes (or trajectory) of pre-existing and new industry participants. While it is common to consider the presence of franchised firms as a distinct class of firm (see Shane and Foo, 1999), this paper steps back to consider the nature of interaction between franchised firms, independent firms and environs they share. This paper embraces the call by Dant (2008) to incorporate all three franchising domain actors (i.e. franchisors, franchisees, and customers), thereby adding new insights into how customers benefit from the value-adding activities of franchising. It will be argued that the addition of an explicit focus on independent firms, their shared (but discrete) environs and the nature of interactions occurring within provides the means to greatly advance our appreciation of the role franchising plays in society.

Several ecological concepts will be introduced to facilitate the discussion presented, with a view of challenging their current usage in the entrepreneurship/organization studies literature. Accepting the challenge of Sears (1980, p. 223), that when the ecologist enters the study area, he or she "sees not merely what is there, but what is happening there", the aim of this research is to highlight ecological interaction at local levels. When the challenge of Sears is combined with Hodgson's (2001) Principle of Consistency (i.e. consistent usage of terminology/concepts across domains), it is important to be armed with 1), an appreciation of the foundations of ecological thought and 2), an ability to apply such thought in a consistent manner. Thus, this paper seeks to contribute to the field of entrepreneurship by offering an alternative explanation of how firm survival might be conceived, researched and ultimately, explained. Building directly upon the recent work (Jones, 2009), three propositions will emerge from the discussion vis-à-vis their appropriateness in assisting a more fine-grained appreciation of a range of ecological coactions (see Haskell, 1949). The remainder of the paper is structured as follows. First, a brief discussion of contentious issues germane to ecological and evolutionary approaches used with organizational studies literature will be can-

vased. Second, solutions derived from the broader domain of ecological studies will be offered as a means of restoring consistency to our use of ecological and evolutionary approaches to the study of firms. Third, the nature of the method used by Jones (2009) and its continued development will be outlined. Fourth, the notion of franchisation will be discussed with reference to several propositions that illustrate the importance of understanding ecological processes across a range of ecological scales (see Wiens, 1989). Fifth, the paper will be concluded with a discussion of the research opportunities that emerge from the ideas presented throughout the paper.

Ecological and Evolutionary Approaches

Direct reference to ecological and evolutionary approaches used in the study of firms and the populations/community they belong to is not new. Whilst the work of Hannan and Freeman (1977), Aldrich (1979; 1999), Carroll (1984) and McKelvey (1982) are typical of seminal contemporary work in this regard, their original antecedents would appear to be neither obvious nor well understood. Lost, it would seem, are the philosophical and empirical connections to the pioneering works of McKenzie (1924), Park and Burgess (1925) and Veblen (1925). This section will not attempt a deep discussion of such development; this can be seen elsewhere (see Jones, 2009). Instead, several contentious issues that relate directly to the development of the proposed process of franchisation will be briefly discussed to assist the reader in understanding the underlying foundations of franchisation. Along the way, it will be evident that whilst contemporary ecological and evolutionary approaches have become popular, they have nevertheless lost touch with both the original and contemporary development of such ideas in mainstream ecology. It will ultimately be argued that the thinking associated with the proposed idea of franchisation demonstrates a reconnection to mainstream ecological thought. The first contentious issue to be discussed is that of commensalism.

Commensalism

Whilst there have always been differences in the usage of a range of ecological terms as ecologists act at different levels and analysis and/or ecological scale (Reiners and Lockwood, 2010), the current usage of the term commensalism in organizational studies is totally at odds with *all* other ecological domains of enquiry. This creates two specific problems. First, this hinders the acceptance of research conducted by organizational studies scholars in other domains of enquiry who employ ecological approaches (see Wittellstuijn, 1998). Second, and of more concern, the incorrect usage of the term commensalism restricts our ability to understand inter-firm processes being investigation (such as competition and cooperation).

At present within the organizational studies literature, commensalism is a descriptor for a *range of competitive relations* (see Aldrich, 1999). Alternatively, in

every other domain of the broader ecological literature (since its original conception) it is clear that the term commensalism has been used to account for *one discrete type of relation* in which one entity benefits and the other remains unharmed (see Van Beneden, 1869; 1876). That is, it is not used as a descriptor for any form of competitive relation. This difference in usage can be traced back to the original works of Van Beneden being misunderstood by first Warming (1909) and then by Braun-Blanquet (1928) whose seminal work was translated by Fuller and Conrad (1932) and used exclusively by Hawley who concluded that "the most elementary and yet salient expression of commensalism in nature is competition" (1950, p. 39). Since then, Hawley's work has remained one of the most influential to many organizational scholars with reference to the issues of competition (see Hannan and Freeman, 1977; Pfeffer and Salancik, 1978; Astley, 1985; Carroll, 1985; Barnett and Carroll, 1987; Barnett and Amburgey, 1990; Baum and Singh, 1994; Aldrich, 1999; Greeve, 2002; Rao, 2002). Thus, within the domain of organizational studies the assumption that commensalism is a form of competitive relation continues unchallenged. Despite claims that such usage is appropriate from a sociological perspective (Aldrich, 2007); the domain of organizational studies was not born from and/or is not solely dependent upon sociological perspectives. Beyond consideration of how we can reconcile the nature of competitive and cooperative relations between firms, the next contentious issue relates to accurately defining the environment.

The environment

Past and current literature continues to provide credence to environments as being enacted (Weick, 1979), a dispenser of blind selection and/or a source of new variation (Hannan and Freeman, 1977), that may either be related to organizations strongly or weakly (McKelvey, 1982). Given the centrality of the concept of environment (as a form of indiscriminant selection or as a habitat of various benign shades), it is important that its composition and influence is clearly understood by the researcher. The frequently cited paper by Emery and Trist (1965, p. 21) notes that the constant dilemma of organizational researchers is "that the environmental contexts in which organizations exist are themselves changing, at an increasing rate, and towards increasing complexity". Perhaps this explains the dominance of descriptive accounts of the *types* of environments firms might intuitively expect to encounter are more common than succinct and workable definitions of what the environment is comprised of. Further complicating the challenge of identifying what organizational environments are has been the scholarly turf fighting (see Baum and Rowley, 2002) between organisational researchers seeking to determine the hierarchical relationships between task, institutional, technical and general environments.

However, at present the literature still appears no closer to a concrete definition of what *is* an environment. Sadly, Hawley's (1950, p. 17) position that "any attempt to enumerate the components of the environment involves one in any end-

less task; for each species [i.e. firm] and type of life responds to a variety of stimuli in a way more or less peculiar to itself", appears still acceptable today. Despite the on going acknowledgement (e.g. Baum and Rowley, 2002, pp. 9-10) that the task environment is a source of various inputs, current attempts to define the environment appear far from certain on how firms relate to the environment given that the literature accepts that "environments may not only be *observed* and *(mis)interpreted*" they may also be *enacted* by individual firms. This state of affairs within the literature is concerning given the explicit acknowledgement in the natural sciences that it is only those *specific factors* in the external environment that affect an entity that matter, and therefore are of importance (Brandon, 1996). Gone it would seem is any explicit concern for the flow of energies within a given environment, one of the most fundamental factors in ecology (Odum, 1971). The third issue of contention relates to the development of resource partitioning in the organizational studies literature.

Resource partitioning

In developing his resource partitioning theory, Carroll (1984, p. 71) acknowledges organizational ecology as an intellectual descendant of Hawley's (1950) human ecology. Not surprisingly, Carroll (1985, p. 1278) relates his notion of resource partitioning to Hawley's description of competitive social process claiming they both "predict a shift from competitive to symbiotic relations between organizational forms". Carroll's model is widely interpreted (see Baum and Amburgey, 2002, p. 312) as predicting "that increasing market concentration increases the failure rate of generalists and lowers the failure rate of specialists". There has been little empirical evidence offered that such a strict usage of the term is warranted. Indeed, Jones (2009) found the exact opposite in terms of generalist survival. At present, Carroll's (1985) strict notion of resource partitioning does not lend itself to explaining the nature of actual competition and inter-firm relations.

The critical issue here is that the founding works appear not to have appropriately influenced the use ecological and evolutionary theories in organizational studies. Worse still, on going developments in mainstream ecology also appear to be either ignored or invisible to researchers and theorists operating in organization studies. Let us briefly consider some solutions to the three issues raised thus far, so that the proposed notion of franchisation can be soundly discussed.

Towards Consistency

Commensalism

At the heart of observing, understanding and explaining commensalistic relations in an organizational setting is understanding the nature of coactions present across time and space. Coaction theory proposed by Haskell (1949, p. 46), provides the means to reconnect organizational studies to the original meaning of commensalism and all other forms of coaction. Haskell asserted that the major properties of

any society vary with coaction, noting that weak and strong "classes can only have nine, and only nine, qualitatively different [coaction] relations toward each other" (i.e. +/+, +/0, +/–, 0/+ (commensalism), 0/0, 0/–, –/+, –/0 and –/–) In the natural sciences, Haskell's classification scheme and its adaptation by Burkholder (1952) have stood the test of time as the accepted way of accounting for population coactions (e.g. Odum, 1971).

So, while Aldrich (1999, p. 302) adopts Hawley's (1950) symbiotic and commensalistic axes to frame his eight possible relations between organizational populations, he does so with Commensalism accounting for the following coactions; 1) [–,–] full competition; 2) [–, 0] partial competition; 3) [+,–] predatory competition; 4) [0, 0] neutrality; 5) [+, 0] partial mutualism; and 6) [+, +] full mutualism. Clearly this is not at all similar to how coaction relationships are viewed in the ecological literature. When commensalism is taken to account for all other coactions other than those that are symbiotic (e.g. Rao, 2002), then the opportunity to understand and investigate how organizational populations originate and grow is decreased due to an inability to correctly account for relations that are predatorial, parasitic, mutualistic, or based on commensalism. Given that the "elucidation of patterns and processes lies at the heart of community ecology" (Tokeshi, 1999, p. 5), it is important that the role of competition is not overstated so as to ensure that the nature of interplay between functionally related populations are not subject to misappropriated assumption. So, a return to Haskell's (1949) nine qualitatively different coactions enables this issue to be resolved.

The environment

The recent work of Biologist Brandon (1990) offers a succinct and seemingly obvious way to account for defining what a given environment is. With reference to the theory of natural selection, Brandon suggests three specific environmental dimensions through which the process of evolution occurs. First, the *external* environment typically refers to the sum total of all factors external to the firm that influence its survival. However, this overarching view of the environment does little to highlight which factors are of most importance to one firm or another. It essentially relates to the factors that all firms in all industries are exposed to (e.g. high interest rates).

Then, Brandon (1990) identifies the second dimension as the *ecological* environment, which refers to a narrowing down of focus. Now we are only concerned with those factors that specifically affect a firm's ability to contribute to the growth of its industry (e.g. the increasing availability of specific vital resources). The third and last form of environment is the *selective* environment. The selective environment refers to those factors of the external environment that specifically determine the differential fitness of the firm's interacting elements (i.e. consumer taste). Under such a proposal, the *general* environment can exist independently of a firm, and aspects of it can be altered by a firm, without any positively or negatively impact on the nature of selection. However, the *selective*

environment has no existence independent of the firm/population; it represents the actual *niche* of the firm/population. Once the dimensions of a given environment can be accounted for, the ability of one or more firms to alter these dimensions can be considered.

The recent works of Luksha (2008) and Jones (2009) both discuss the process of niche construction (see Odling-Smee et al., 2003, p. 41) as an evolutionary process through which organisational environments may be altered. Odling-Smee et al., define niche construction as "when an organism modifies the feature-factor relationship between itself and its environment by actively changing one or more of the factors of its environment, either by physically perturbing factors at its current location in time and space, or by relocating to a different space-time address, thereby exposing itself to different factors". Whilst space limits prevent a fuller discussion of niche construction, the discussion to follow will further explain the usefulness of the concept to the process of franchisation. The last issue to be addressed is that of resource partitioning.

Resource partitioning

The term resource partitioning was originally coined by Schoener (1968) and further articulated in his 1974 classic paper titled *Resource Partitioning in Ecological Communities*. In the broader ecological literature, resource partitioning is defined as *any* difference in the resource utilization among species (see Tokeshi, 1999), or "the differential use by organisms [or entities] of resources" (Begon et al., 1996, p. 967). Whilst Carroll (1985) appears to claim resource partitioning as his concept, the concept of resource partitioning (e.g. Schoener, 1968, 1974; Pianka, 1969) had substantially been developed, and at least 58 papers directly related to the coexistence of specialists and generalists (see Wilson and Yoshimura, 1994) already published prior to 1985. Meanwhile, the highly seminal work of Pianka (1969) that identified three specific dimensions of resource partitioning (i.e. habitat, food and time) remains absent within the organizational studies literature. By reintroducing Schoener's (1968) broader definition and then applying Pianka's focus on specific locations, the actual type of customer sought and time consumer offerings are made, we can remedy the current problems in Carroll's highly restrictive use of resource partitioning.

Methodological Approach

Many studies employing evolutionary/ecological approaches investigate survival/failure occurring over 1) a great many years, and 2) large geographic areas. At the heart of such studies would seem an assumption that the researcher is able to gain access to a reality from which past events are able to be empirically investigated/tested. Whilst many studies do not claim causality (e.g. Van De Ven and Garud, 1994), others do claim predictive power (e.g. Freeman and Hannan, 1983) as a property arising from their studies. Despite the excellent work that argues for the inclusion of period, age and cohort effects (Aldrich, 1999) in evolutionary stud-

ies, the issue of what level of reality is accessible by such researchers is rarely considered. By and large the field of entrepreneurship research adopts a positivist stance assuming that the researcher can access all the reality required to develop, test and/or confirm theory. Yet the most thorough reviews of the recent literature (Baum, 1996) and Baum and Shipilov (2006) cast doubt on the progressive development of organizational ecology as a discipline due to a lack of confirmation that previous findings are indeed truly generalizable. Many reasons are offered; the levels of analysis investigated; the failure to adequately account for unobserved heterogeneity; differences in the empirical settings; and the inability to study certain issues in different settings (e.g. heterogeneity in founding). In addition, it is acknowledged that the field of organizational ecology has had only a relatively small influence beyond its boundaries (Witteloostuijn, 2000) and/or has developed with many fragmented (yet isolated) approaches used (Blundel, 2007). What would seem to be missing is a debate as to why attempts to develop approaches using evolutionary/ecological approaches, whilst contributing to our understanding of complex events, are failing to allow us to move forward collectively as in other (supposedly) related fields of ecology (e.g. plant, landscape, animal, behavioral etc).

In line with other recent work (Neergaard and Ulhøi, 2007), this research extends the findings of Jones (2009), arguing that critical realism offers another profitable avenue of inquiry that can lead to a mixed-method approach to entrepreneurship research. Studies using critical realism (Bhaskar, 1975) to investigate entrepreneurial events such as firm survival are few and far between. Jones (2008) provides an example of a mixed method approach to investigating the events of the North Yorkshire pizza industry across the period 1975 to 2004. The research method employed was used to facilitate an outcomes-based explanation (Mahoney 2003) due to the fact events under investigation have already occurred and therefore cannot be tested. The focus of the study was upon generative mechanisms that were assumed to give rise to particular events from which (pizza) firm survival was enhanced vis-à-vis all other community members. In all, a mixed-methods approach accommodating survival analysis on a data base of 2440 firms (or in excess of 21,000 company years), archival records, interviews with multiple respondents, and the researcher's observations that have confirmed the nature of interaction occurring between firms.

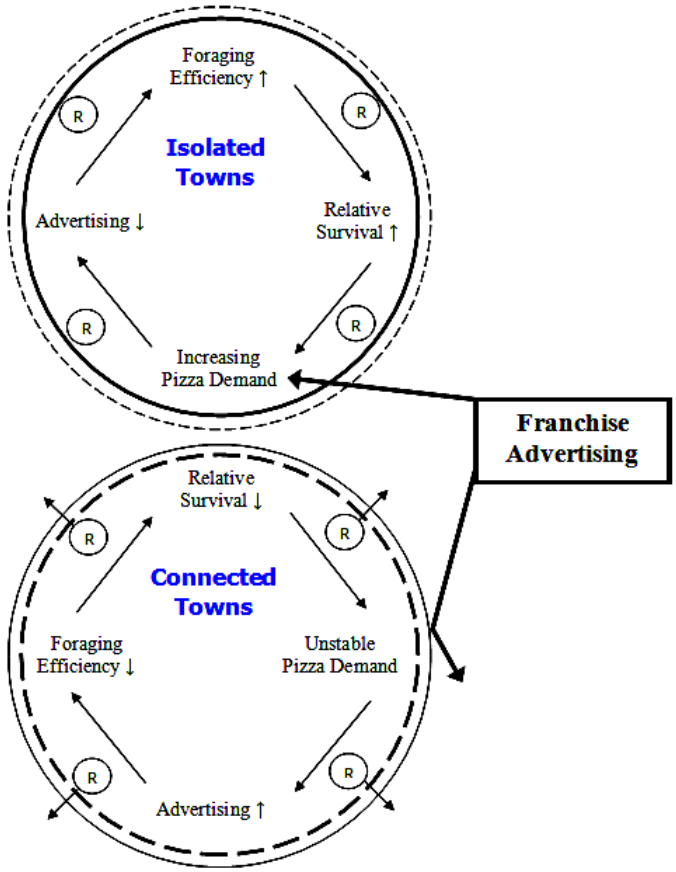
Observing Franchisation

Two accounts of firm survival from the earlier Jones (2009) study will now be presented. The first provides a strictly descriptive account of the survival of independent pizza firms arising from the effects of franchisation. The second account accommodates the integration of the ecological terms (i.e. commensalism, environment, niche construction and resource partitioning) to illustrate local processes operating via franchisation.

A layman's account of firm survival

In Figure 1, the process of *Transferred Demand* (see Jones, 2008) is illustrated with reference to isolated and connected towns. Both towns are beyond the delivery zone of franchised pizza operators and more than 30 and 10 minutes respectively from a major city. In Isolated towns, a lack of local advertising intensity results in the town boundary effectively acting as a conduit through which the external signalling (i.e. advertising) of franchised pizza firms is amplified. The geographic location of the towns prevents the leakage of residential resources (R), which are essentially trapped within the towns' boundaries by the personal costs of travelling out of town to acquire a pizza that is available within the town.

Figure 1 – Transferred Demand



Source: Jones (2009)

The result, demand for pizza increases as residents are exposed to a clear advertising message for a product/service that is available locally (though not from the advertiser). As a result of the impact of the external (franchising) signal, there

is less need (for local firms) to signal internally, and we witness very low levels of local advertising. When we factor in the higher levels of pizza survival in isolated towns (vis-à-vis connected and large towns) we can assume that the isolated pizza firms have obtained an increased level of foraging efficiency (or spent less to attract revenue than was revenues received) relative to other sub-populations (e.g. Chinese, Fish & Chips etc)

In connected towns, the opposite process is seen to occur. As a result of the proximity of the towns to larger more diverse populations, and the increased mobility of residents, it would seem that potential resources are lost from the towns as residents spend monies on food etc outside their town of residence. The result, a competitive environment within which higher levels of advertising across all sub-populations is more common. The nature of these coactions transforms the towns' boundary, appearing to make it less permeable to the incoming signal from franchised pizza firms. Essentially, the degree of advertising locally dilutes the potential impact of the franchised signal. The outcome is the effective deflection of the signal. Demand for pizza is not increased, the need for local pizza firms (and other sub-populations) to advertise to retain local custom (and achieve competitive positioning) increases, and the pizza firms are locked into a competitive fight from which there typically are causalities. As the relative survival of pizza firms in connected towns decreases, it can be assumed that they have achieved lower foraging efficiency relative to other sub-populations.

Therefore, the conditions (for isolated and connected towns) favourable to *Transferred Demand* relate to 1) low levels of adversarial coactions, identifiable by low levels of advertising and 2) the retention of residential resources within the local town. Under such conditions, the franchiser's signalling is clear and uninterrupted and can be captured and converted into revenues by the local firms. When both primary conditions are not met, the potential power of *Transferred Demand* is likely to be a lesser force relative to the presence of competitive interactions already occurring locally.

An ecological account of firm survival

In Figure 1, independent pizza firms located in isolated towns gain a survival advantage (see Jones 2009) from commensalistic coactions (i.e. o/+) with franchised pizza firms located in larger cities whose advertising increases the primary demand for pizza. Via the process of niche construction it is observed the both the ecological and selective environments of local pizza firms are altered by the natural behaviour of the franchised pizza firms. A process of resource partitioning is occurring whereby pizza firms in isolated towns and franchised firms in larger cities naturally share potential consumer revenue spend due to differences in the type of customer sought and their geographical location, despite only one main source of advertising (or foraging) being witnessed.

Alternatively, in connected towns, the mobility of consumers, multiple advertising signals and increased likelihood of potential competitive coactions (i.e. –/–) reducing the relative survival of local pizza firms. There is little evidence of resource partitioning with the mobility of consumers decreasing the geographical distance between sub-populations in connected towns and larger cities. Niche construction is observed, but in a negative sense. The ecological environment is diminished by the constant leakage of potential consumer spend to larger cities. The selective environment is more harsh due to inefficient local spend of ineffectual advertising and therefore, foraging inefficiency.

Discussion

It is now possible, with reference to the above discussion, to outline three general principles of franchisation. First, economies of scale in advertising to sustain and grow networks are typical for most franchise organizations. During certain stages of an industry (divided through time and space) the rising tide has the capacity to lifts all boats. Franchise firms tend to operate on the basis of high volume and lower margins. As a result, their advertising is continuous and designed to create maximum awareness of a category of good or service in the first instance. Only after there is strong community support for the product is strategies designed to develop selective demand for their specific product. In the absence of direct competition for market share, resource partitioning is highly likely as local firms exploit differences in customer type sought, geographical location and hours of operation, thus;

Proposition 1: *In the absence of legitimacy for a particular good/service, the arrival of a franchise operation offering that particular good/service can increase the overall survival of independent firms offering that particular good/service*.

Second, when the arrival of franchised firms does not precede the development of legitimacy for a given good or service, franchised firms are more likely to immediately use advertising strategies designed to elicit selective demand. This was observed to occur typically when the second and third franchised operators entered a relatively mature market. Local firms with a product offering too similar to the new franchised operators are typically disadvantaged by the inability to out advertise/position the franchised operators. Alternatively, those local operators who were sufficiently differentiated from the franchised product still benefited from resource partitioning, thus;

Proposition 2: *When local independent firms have developed legitimacy for a particular good/service, the arrival of a franchise operation can decrease the overall survival of local independent firms offering that particular good/service*.

Third, perhaps the most significant contribution made by this paper to entrepreneurship research is to highlight the complex nature of the environments ex-

perienced by firms. Once we move to conceptions of the external, ecological and selective environments (see Brandon, 1990) scattered across a mosaic like landscape, we provide researchers with access to a richer view of the relationship between firms and their environments. Understanding the complex nature of such environs that are shaped and shared by independent and franchised firms requires attention to ecological scale (see Wiens, 1989). Incorporating attention of the unique characteristics of each firm's environs ensure that valuable information related to important coactions is not averaged away through aggregation.

Proposition 3: *The causal influence of franchised operations on independent firm survival within a specific industry can be directly explained with reference to geographic and resource partitioning factors*.

Conclusion

Within the current organizational studies literature explanations of firm survival are commonly shaped around assumed notions of ever-present competition. Often it is claimed that firms can out compete other firms by better adjusting their interacting elements to achieve better fit with their environment (e.g. Tushman and Romanelli, 1985; Levitt and March, 1988). Such claims are refuted (see Hannan and Freeman, 1989) by those who see the firms' essential (core) interacting elements as relatively inert, and therefore difficult to change during times of environmental change. However, increasingly such extreme opinions are less about a dichotomy of opinion, and more about questions of how the processes of selection and adaptation interrelate (see Levinthal, 1991). It is argued here, that regardless of which view is more dominant within the literature, any attempt to further develop our understanding of why firms survive will be restricted by an inability to correctly (and consistently) use appropriate ecological/evolutionary concepts and therefore ecological approaches. Through considering the nature of interaction between independent and franchised firms, this paper argues that such understanding can be further advanced by investigating the actual nature of occurring coactions.

In terms of research opportunities arising from the ideas discussed within this paper; they are plenty. First, the process of niche construction should be of central importance to researchers of both strategic management and environmental selection persuasions. An attempt to reconcile the nature of selection (favourable or otherwise) between firms and their environs must account for the influence firms and other observable factors exert on the environment. Second, the conception of the environment as being comprised of three identifiable dimensions opens up many avenues for research. Once the selective and ecological environments of a particular firm are determined, our ability to assume safe aggregation is surely tested. If selection patchy and observed to be based on local environmental factors then there is clearly a need for greater integration between qualitative and quantitative research methods. Third, The reinstatement of commensalism to being a descriptor for non-competitive relations in which one party is unharmed and the other

gains; changes the way we might assume competition to be ever-present. Lastly, using the more ecologically correct broader usage of resource partitioning provides access to a lens through which to recast a range of assumed competitive interactions between firms that in reality compete over few common resources.

Ultimately, this paper has set out to promote the notion of franchisation by directly challenging several common ecological terms that are used in a way deemed to be inconsistent with mainstream ecology. The correct usage of the terms discussed has clear implications for researchers of entrepreneurship; implications that ultimately should result in richer data been collected and analysed for future firm survival research.

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